

encourage the import of gold through licit channels against payment of customs duty in foreign exchange and to discourage smuggling of gold. It has been reported that the introduction of this scheme has had a healthy impact on checking clandestine Import of Gold.

Income Tax Payee

5050. SHRI N.N. KRISHNA DAS : Will the Minister of FINANCE be pleased to state :

(a) whether only 4 lakh and 50 thousand New Delhi residents pay income tax while the city has 26 lakh vehicles, 80 lakh telephones and 15 lakh house owners;

(b) if so, whether such a disparity arise out of lack of proper enforcement of the existing laws; and

(c) if so, the steps being taken to plug such loopholes ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) The number of assesseees in Delhi as on 31.3.1997 is 7,71,340 (provisional figures). Under the provisions of Income-tax Act, a person is required to file return of income if his total income during the previous year exceeds the maximum amount not chargeable to income-tax.

There can be a number of reasons for the disparity between the number of income-tax assesseees and the number of persons owning telephones, vehicles, houses etc. At the same time it is true that the number of tax payers in the country is substantially low as compared to the population and the Government has, from time to time, taken various steps to increase the number of tax payers. With a view to further widen the tax-net, the Finance Bill, 1997 has introduced a proviso to Section 139(1) of the Income-tax Act requiring every person who satisfies any two of the following conditions namely :

- (i) occupation of an immovable property exceeding a specified floor area, whether by way of ownership, tenancy or otherwise, as may be specified by the Board in this behalf; or
- (ii) is the owner of the leasee of a motor vehicle; or
- (iii) is a subscriber to a telephone; or
- (iv) has incurred expenditure for himself or any other person on travel to any foreign country,

to file return of income. By imposing such requirements for filing return of income, the task of identification of potential tax payers is likely to become easier

Hawala Rackets

5051. SHRI JANG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to state :

(a) the details of major hawala rackets that have been unearthed by the Enforcement Directorate during the last three years, year-wise;

(b) the action taken in each of the hawala racket; and

(c) the steps proposed to be taken to plug the loopholes in the law that facilitate the hawala racket ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) The Enforcement Directorate has busted a number of hawala rackets during the last three years. Adjudication proceeding have been initiated against the persons *prima facie* involved in the said rackets. Year-wise details regarding number of cases and the amount involved therein, are as under :

Year	No. of cases	Amount involved
1995	249	25389
1996	185	65355
1997 (upto 31.3.97)	200	11313

(c) The Government maintains a constant vigil and whenever any instance of suspected contravention of the provisions of Foreign Exchange Regulations Act, 1973 comes to its notice, appropriate action as may be warranted is taken.

Tannery and Footwear Corporation of India

5052. SHRI PRADIP BHATTACHARYA : Will the Minister of FINANCE be pleased to state :

(a) whether the BIFR had appointed the Industrial Finance Corporation of India as Operating Agency for preparing and submitting the revival package in respect of Tannery and Footwear Corporation of India Limited;

(b) whether the Financial Institution did not act in pursuance to above order of the BIFR;

(c) whether the Government have also not taken any action to advice the Financial Institution to abide by the rules or directions; and

(d) if so, the facts thereof alongwith the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Yes, Sir

(b) to (d) The Board for Industrial and Financial Reconstruction (BIFR) has reported that after exploring all avenues for revival of Tannery & Footwear Corporation of India Ltd. (TAFCO), it concluded that TAFCO was not likely to make its networth exceed the accumulated losses within a reasonable time while meeting its financial obligations and that the company as a result thereof was not likely to become viable in future and it was just and equitable that the company be wound up under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. The opinion of the BIFR was forwarded to the concerned High Court for further necessary action.